



ONTARIO

Legislature of Ontario Debates

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First Session of the Twenty-Fifth Legislature

one-day session

Thursday, September 8, 1955

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LEGISLATURE OF ONTARIO

DEBATES AND PROCEEDINGS

OF THE

FIRST SESSION OF THE TWENTY-FIFTH LEGISLATURE OF THE PROVINCE OF ONTARIO, HELD IN THE PARLIAMENT BUILDINGS, TORONTO, ONTARIO, THURSDAY, SEPTEMBER 8, 1955.

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

THURSDAY, SEPTEMBER 8, 1955

3 O'CLOCK P.M.

And the House having met,

The Honourable the Lieutenant-Governor, having entered the House, took his seat upon the Throne.

HON. GEORGE H. DUNBAR (Provincial Secretary): I am commanded by His Honour, the Lieutenant-Governor to state that he does not see fit to declare the causes of the summoning of the present Legislature of this province until a Speaker of this House shall have been chosen according to law; but today, at a subsequent hour, His Honour will declare the causes of the calling of this Legislature.

His Honour was then pleased to retire.

CLERK OF THE HOUSE: Members of the Legislative Assembly, it is my duty to call upon you to elect one of your number to preside over your deliberations, as Speaker.

HON. LESLIE M. FROST (Prime Minister): Mr. Clerk, and members of the Twenty-fifth Legislative Assembly of Ontario: our first duty is to choose a Speaker to preside over the deliberations of this House, and to occupy an old and honoured position in our parliamentary practice.

It has been customary since Confederation that a Speaker should be chosen, to occupy that honoured position for one Parliament, although there are a few exceptions to that in the history of the province. In the 24 Legislatures so far held, there have been 23 Speakers..

The previous incumbent of that position in the Twenty-third and Twenty-fourth Parliaments is one of the exceptions to the rule, as it has very generally obtained since Confederation. The only Speaker who is in a similar position to the hon. member for Windsor-Walkerville, the hon. Mr. Davies, was the hon. Mr. Clarke, who occupied that position in the 1880's and who afterwards became Clerk of the House.

My recollection is that the present Clerk of the House is only the fifth who has occupied that position since those early days. As I have said, in the period of Ontario's history since 1867, we have had 23 Speakers to date, generally following the pattern of the tradition, and we have just recently appointed the fifth Clerk of the House, whose father occupied that position for many years before him.

I should like, first of all, to comment upon the great service rendered by the hon. member for Windsor-Walkerville. It is not customary in the House to refer to members by name in the chamber, but

I feel that I should on this occasion mention the hon. M. C. Davies, who occupied the position of Speaker with great distinction during the Twenty-third and Twenty-fourth Parliaments.

The hon. member for Peel (Mr. Kennedy) who was then the Prime Minister, had the great privilege of nominating Mr. Davies as Speaker, on, I think, February 10, 1949. It was my privilege subsequently, during my premiership, to again nominate Mr. Davies, as Speaker for the Twenty-fourth Legislature, seconded by the hon. member for Grey South (Mr. Oliver) who was then the leader of the Opposition.

I have had several conversations with the hon. member for Windsor-Walkerville. On August 23rd, he wrote a very beautiful letter indeed dealing with this matter, which I shall make available and place on the records of the House. At this time, however, I will refer to one or two paragraphs.

His letter reads in part:

No one appreciates more than do I the great honour which has been bestowed upon me by my fellow members since 1949. It has been my pleasure to have served two full terms, the longest in the history of our province, and for that opportunity I am more than grateful. The kindness, understanding, courtesy and consideration of members from all Parties are among my most treasured memories. For such, I can never give repayment.

As our tradition is based on precedent and lest it become a practice that a Speaker shall continue on and on, I wish to advise you, Sir, that I feel in the best interest of our provincial tradition I shall ask you, as leader of the government, who, naturally, will have considerable say in nominating Mr. Speaker, not to consider me as looking for the position again. I do this from a deep feeling that we must preserve our tradition of not being obligated to continue Mr. Speaker in office.

Added to this, I have held the position with considerable sacrifice to my Church. My people have been most

generous in their willingness to give not only in a military sense but in a political sense as well for my country. We have just completed a new Church building and I am now completing 33 years of service in my parish, and my duty to my Church is my first and greatest responsibility.

May I add in conclusion the debt of gratitude I owe to my devoted wife, who has without question accepted her added responsibilities with cheerfulness and willingness on every occasion. Just during the last session she was hostess to nearly 1000 visitors in the apartment. No small part of whatever help I may have been able to give has been due to the sacrifice and ready help of Inez.

I again thank all the members of the Legislature for this wonderful opportunity to have been servant and master.

Mr. Clerk, I wrote to the hon. member for Windsor-Walkerville, acknowledging that letter, and I know that in this I expressed the feelings of the members of the Twenty-third and Twenty-fourth Legislatures, many of whom are sitting in this Chamber today.

My letter was as follows:

Relative to your letter of August 23rd and my conversations with you, may I say how much I appreciate your regard for the traditions in relation to the Speaker's office and as well the manner in which you have maintained the dignity of that office. In effect, you yourself have added to the traditions which we all desire to preserve.

On February 10, 1949, you were elected Speaker of the House on the nomination of the then Prime Minister, The Honourable T. L. Kennedy. Subsequently during my own premiership you were again nominated and elected to serve during the Twenty-fourth Legislature. Thus you have served over two full Parliaments, a record which is only equalled by that of The Honourable Charles Clarke who served similarly in the 80's and who afterwards became Clerk of the

House. Since 1867, in 24 Parliaments there have been 23 Speakers.

May I thank you for the sentiments contained in your letter. In regard to the reference to your own parish, may I say that I am aware of the place it has occupied in your thoughts, actions and affections.

At this time may I thank you on behalf of all of the members who sat during your speakership in the Twenty-third and Twenty-fourth Parliament for your great services to your province, for your fairness and impartiality, for your high regard for the dignity and the traditions of this great office. As I have stated, you yourself have added to the traditions attached to the speakership here in our province.

Your life has been one of service to your Church and your country, including service with The Royal Canadian Air Force during the last World War. Ahead of you in this House and in the life of the country are further great services, in all of which we join in wishing you well.

May I also thank Mrs. Davies who has so ably and brilliantly assisted you in the work of the speakership. We extend to both of you our grateful thanks.

Mr. Clerk and gentlemen of the Assembly; may I say it is my privilege to nominate a member of this Assembly to serve as Speaker during the Twenty-fifth Parliament of the Province of Ontario, such nomination to be seconded by the hon. member for Grey South, who will be recognized officially as leader of the Opposition when the Speaker is appointed. I am certain this represents a period of time of very great importance to our province and our country, and it is now my pleasure to nominate a well-respected colleague of all of us in this House, regardless of our political affiliations, in the person of the hon. member for Dufferin-Simcoe, Mr. Alfred Wallace Downer.

Mr. Downer is an old friend of most of us. He was elected to the Legislature in the year of Grace 1937, in which year

I, and a very few other hon. members sitting here, came into this Assembly.

Mr. Downer is a well-known person in public life in this province. I have not been told where he gets his name. However, "Alfred" is no doubt after Alfred the Great; "Wallace" after that great King of Scotland who many of us revere, and "Downer" comes from an old Simcoe County family, a very great county indeed.

It is a pleasure to nominate him as one who is associated with two great, old counties, Dufferin and Simcoe, and particularly may I refer to Simcoe County, my native county, which is, of course, very dear to my heart. The only question which might be raised in connection with the hon. member is that although he was born in Simcoe County, he was not born in or near Orillia.

Mr. Clerk, may I just say that Mr. Downer has served his country long and faithfully. He has served it through his Church. He is an Anglican—that seems to be one of the requisites of the speakership in this House. He has served his parish in Simcoe County faithfully for many, many years. For 18 years, he has been a member of this House. In World War II, he served in Italy and in North Africa with the Canadian Army. He is now Chaplain of the Twenty-eighth Armoured Regiment, bearing also the name "Simcoe Foresters," which again raises memories in my mind, because it was with that regiment, before it was an armoured regiment, that 40 years ago this very month, I commenced my military service—in 1915.

Mr. Downer, since that time—who, by the way, is Captain Downer in the military field—has served his country well and faithfully. In placing his name in nomination before the hon. members of this House, may I say that I am satisfied that Mr. Downer, the hon. member for Dufferin-Simcoe, will follow the traditions of his predecessors, particularly his immediate predecessor, in maintaining the honour and dignity of this House, and the honour and dignity attached to the speakership. This high office dates back many centuries in

parliamentary life, and is part of the way of life of our people; in Ontario, it goes back into our traditions for 163 years, because it was in the little town of Newark—now Niagara-on-the-Lake—in Navy Hall, which is perpetuated and protected against the elements and ravages of time, that little log building on the banks of the Niagara River, on September 17, 1792, that the first Speaker was chosen. Therefore, we have traditions in connection with that office going back to the very dawn of our history up to the present modern Ontario.

Mr. Clerk, it is a very great privilege and honour to place in nomination before this honourable Assembly, for the speakership during the life of this Parliament, the name of Alfred Wallace Downer, the hon. member for Dufferin-Simcoe.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Clerk, honourable Prime Minister and members of the Legislature: when a Speaker who has served for two full terms in the Legislature, lays down the mantle of authority which he has wielded during that time, it is fitting we should call to mind some of the great services he has rendered to the province in his capacity of Speaker, on the one hand, and almost of "Mr. Host" on the other. We believe, as members of the Legislature, that the hon. member for Windsor-Walkerville has been a very estimable host during his term of office. We believe, also, that he has discharged his responsibilities as Speaker of the Legislature in a very capable manner. There were times, of course, when he read the rules in words not as we would have read them, and when his interpretations were somewhat different to those we should have placed upon the matter under discussion, but that, of course, is symbolic of the Speakership in a British Parliament. It is not always his lot to rule in favour of everybody in one ruling; it just cannot be done.

But in spite of the shortcomings which were probably less in him than they would have been in others, he has

discharged his responsibilities in a very capable manner.

We believe, as the hon. Prime Minister has suggested to the House, that after a Speaker has served two full terms of the Legislatures, it is perhaps better for all concerned that the speakership should be changed, and a new man brought into the Chair.

It follows then that we have this afternoon to name a new Speaker. The hon. Prime Minister has placed in nomination the name of the hon. member for Dufferin-Simcoe. I am going to second that nomination in the belief that the hon. member for Dufferin-Simcoe will make a good Speaker. It may be that in the months and years which lie ahead, when we have been subjected perhaps to adverse rulings on various occasions, I may have to alter the opinion which I presently hold, but, at the moment, I can say to the hon. Prime Minister that in his nomination of the hon. member for Dufferin-Simcoe, I am wholeheartedly in accord, and that as he steps into the Speaker's Chair of this Legislature, we can look for rulings which will be fair and impartial, and that he will uphold the dignity of his office and discharge the responsibilities which are his, in a fair and impartial manner.

Therefore, Mr. Clerk, I have very great pleasure in seconding the nomination by the hon. Prime Minister that Mr. Alfred Wallace Downer, the hon. member for Dufferin-Simcoe, be the Speaker of the Legislature for the ensuing term.

THE CLERK OF THE HOUSE:
Are there any further nominations?

(No response.)

There being no further nominations, I declare the nominations closed, and I also declare The Honourable Alfred Wallace Downer, to be duly elected to be Speaker of this hon. House.

Mr. Speaker in the Chair.

MR. SPEAKER: Honourable gentlemen of the Legislature: I want to express to you my sincere thanks for

the honoured position to which you have elected me this afternoon. I can assure you that I fully realize the great responsibilities which go with this high office, and I can only tell you that I will endeavour to merit your confidence by carrying on the duties of this office to the best of my ability. It is with a deep sense of humility that I assume this high office.

The office of Speaker is one of the most ancient in democratic assemblies. Behind me is a tradition formed by honourable gentlemen in days gone by reaching back to the First Parliament of Upper Canada. We saw history revived today with the Fort Henry Guard wearing the uniforms of our soldiers who guarded our shores in the War of 1812.

Today I would like to express my appreciation to all those who in one way or another during all the years have contributed to our way of life. More particularly I would like to express my thanks and the appreciation of every member of this House to my immediate predecessor who graced this office for the past 7 years. He ruled with courtesy and dignity and I hope to follow in his footsteps, difficult as that task may be. I shall do my very best to maintain the traditions and the dignity of this office in a manner suitable to the position. I will try at all times to be fair and impartial. I will grant to every hon. member full latitude in all discussions and debates within the rules of the House. My highest aim will be to listen to your debates with interest and to your inquiries with kindness.

There are bound to be differences of opinion in the House. That is why we have a Parliament. Here representatives of different areas come to argue and debate and plan for the good of all. When there are differences of opinion, we should all remember that no one man is the custodian of all the good ideas. The man on the other side of the argument has just as much patriotism, just as much right to his views as you have. Let us try to speak and act in this House as we would like others to speak and act toward us. If each one tries to practise the golden rule, my task will

be easy. I know you will bear with me in my shortcomings and I am sure you will overlook some of my mistakes. For my part, I will be impartial in my decisions, seeking only to maintain justice and fairness and to grant equal rights to every member.

May I ask for your forbearance in my weaknesses and understanding in my rulings. It is my earnest prayer that Divine Guidance may be granted me in order that I may be enabled to bring some small added honour to this ancient and honourable office. I pledge my loyalty to our Sovereign Lady, Queen Elizabeth, and her chosen representative in this Province of Ontario, the Lieutenant-Governor.

May the Great Architect of the Universe lead, guide and bless us in all our deliberations.

I thank you, honourable gentlemen, very sincerely.

The House will now adjourn during pleasure.

The Honourable the Lieutenant-Governor then re-entered the House, and took his seat upon the Throne.

MR. SPEAKER: May it please Your Honour, the Legislative Assembly have elected me as their Speaker, though I am but little able to fulfill the important duties thus assigned to me.

If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me and not to the Assembly whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and their country, hereby claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to your person at all seasonable times, and that their proceedings may receive from you the most favourable consideration.

HON. GEORGE H. DUNBAR (Provincial Secretary): Mr. Speaker, I am commanded by The Honourable, the Lieutenant-Governor, to declare to you that he freely confides in the duty and attachment of the Assembly to Her

Majesty's person and government, and not doubting that the proceedings will be conducted with wisdom, temperance and prudence, he grants and upon all occasions will recognize and allow the constitutional privileges.

I am commanded also to assure you that the Assembly shall have ready access to His Honour upon all suitable occasions, and that their proceedings, as well as your words and actions, will constantly receive from him, the most favourable construction.

The Honourable the Lieutenant-Governor was then pleased to open the session with the following gracious speech.

HON. L. O. BREITHAUP (Lieutenant-Governor): Mr. Speaker and members of the Legislative Assembly: You are here today to commence your duties as members of the Twenty-fifth Parliament of the Province of Ontario. I am happy to extend my greetings to each of you on this occasion.

At the time of the dissolution of the Twenty-fourth Parliament 3 Select Committees were dealing with the very important subject matters of Certificates of Title for Motor Vehicles, Smoke Control and Air Pollution, and Toll Roads. It is very desirable that these committees should be reconstituted and should continue with the work which was carried on by the committees in the previous Legislature. The work of these committees will give opportunity for the regular session of the Legislature to deal with important matters arising out of their deliberations. Motions will be presented to you dealing with these matters.

I express the wish that you will be guided by Divine Providence in your deliberations and decisions in regard to matters which will come before you in this Special Session and in sessions to be held in the Twenty-fifth Parliament of Ontario which will deal with matters of great importance to our province.

His Honour was then pleased to retire.

Mr. Speaker in the Chair. 3.45 p.m.

Prayers.

MR. SPEAKER: I beg to inform the House that to prevent mistakes, I have obtained a copy of His Honour's speech which I will read.

Hon. Mr. Frost moves that the re-reading of the Speech by Mr. Speaker be dispensed with.

Motion agreed to.

MR. SPEAKER: I beg to inform the House that I recognize Mr. Farquhar R. Oliver, the hon. member for Grey South, as Leader of Her Majesty's Loyal Opposition.

HON. MR. FROST: Mr. Speaker, at this stage of the proceedings, it is appropriate to introduce the customary Bill asserting the rights and position of the Legislature and this Parliament.

Hon. Mr. Frost moves that during the present session of the Legislative Assembly provision be made for the taking and printing of reports of debates and speeches and to that end that Mr. Speaker be authorized to employ an editor of debates and speeches and the necessary stenographers at such rates of compensation as may be agreed to by him; also that Mr. Speaker be authorized to arrange for the printing of the reports in the amount of 800 copies daily, copies of such printed reports to be supplied to the Honourable the Lieutenant-Governor, to Mr. Speaker, to the Clerk of the Legislative Assembly, to the Legislative Library, to each member of the Assembly, to the Reference Libraries of the province, to the Press Gallery, to the newspapers of the province as approved by Mr. Speaker, and the balance to be distributed by the Clerk of the Assembly as directed by Mr. Speaker.

Motion agreed to.

MR. J. S. DEMPSEY (Renfrew South): Mr. Speaker, I rise on a matter of personal privilege: as you no doubt are aware, Mr. Speaker, during the last election, I was the subject of considerable controversy over what has become known as the Drohan-Dempsey-McCann affair.

I believe, Mr. Speaker, that this House is entitled to a full explanation from me concerning this matter. But in view of the fact that this is a special sitting of the House, and that it will be very short, it is not my intention to make that explanation at this session.

It is my intention, however, to make a complete statement on the whole matter at the next regular session of the Legislature, at which time I am satisfied that I can show this House, that my position throughout has been legal and entirely proper in every sense of the word and that I will be completely vindicated before this House, and before the Bar of public opinion.

Hon. Mr. Frost moves that as the Legislature has been convened in this Special Session for the purpose of considering certain matters which have been laid before you in the Address of the Honourable, the Lieutenant-Governor, the House hereby resolves to dispense with the customary formal debate on the subject matters of the Address as such matters may be debated during the consideration of the motions submitted to the House.

He said: Mr. Speaker, perhaps I should ask you to revert for a moment in the procedure, and not declare the motion carried, for this reason. In this proceeding today, we are following, in fact, the procedure which has been adopted in previous Special Sessions of the Legislature convened to deal with particular and specific matters, in which cases we have dispensed with what we familiarly call the "Throne Debate."

In convening the House, I think it would be altogether undesirable if the hon. leader of the Opposition, and the leader of the other Party, and perhaps other hon. members of the House, did not have the opportunity of calling to the attention of the Legislature matters of public and pressing interest and importance, so I have agreed, subject to the concurrence of the House, that the hon. leader of the Opposition, and the hon. member for York South, if they desire, make reference to certain matters at this time. I may say that this is, in effect, a substitution for the debate on

the Speech from the Throne. On the other hand, it does not call for the formalities which are required on other occasions.

With that explanation, Mr. Speaker, I would leave it to the hon. members to address the House if they so desire.

Motion agreed to.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, the procedure outlined by the hon. Prime Minister will be, I am sure, acceptable to all hon. members of the House.

Actually, this is a Special Session of the Legislature called for the specific purpose of reorganizing 3 Select Committees, but, as the hon. Prime Minister has intimated, it would be somewhat unfortunate if, at the first Session of this Legislature, there was any doubt as to the right of any member to question the government, if you will, on matters of policy, and things which have transpired during the interval between the last session of the Legislature and the present time.

I do not intend to speak at any length. I do, however, want to ask the government to make its position clear in regard to two important public matters. I am quite sure, from what the hon. Prime Minister has said, that he will welcome the opportunity to lay before the House, and the province as a whole, a more clear explanation in respect to these matters than has been heretofore forthcoming.

The first one to which I wish to direct my attention has to do with the question of unemployment. Hon. members of the last Parliament will recall there was considerable discussion on unemployment in the last session of that Legislature, and there was a feeling on the part of many that the Province of Ontario should have worked hand-in-hand with the municipalities, in a financial sense, in caring for the unemployed, and that there should have been a financial arrangement with the municipalities whereby the problem of taking care of some of the financial commitments for that purpose should have been arrived at.

Since the last session of the Legislature, there have been discussions, as I recall it, in Ottawa on this very subject, and there was an intimation in the Press that the Federal Government had made a proposal, and had laid that proposal before the provincial governments. If my memory serves me correctly, that proposal was not acceptable to the Ontario Government.

The proposal was, as I recall it, for the Federal Government to share the costs for the purpose of unemployment relief. I think this afternoon the hon. Prime Minister might place before the House the position of the Government of Ontario in relation to this matter. Is there any hope which can be held out to the municipalities of this province, that the province will share in the financial commitments for this purpose? Is there an understanding that the province will co-operate with the Federal Government in attacking this problem?

I would like the hon. Prime Minister to give some thought to the answer, because I think he will agree with me, it is something which has the people guessing, the people are not sure of the answer, and now is the time, when we are met here in session, to give the facts, so that all may see and understand them.

The other matter has to do with what is called the "Trans-Canada Pipe Line."

From the discussions which have taken place up until now in respect to the gas pipe line supposed to feed gas from Alberta to the rest of Canada, as I understand it, the main line carrying the gas across Canada was a Federal responsibility, and a Federal commitment. That was our understanding when the last session of the Legislature prorogued.

Subsequently to that, there have been stories in the Press which would seem to indicate that there has been a change in the proposed financing of the Trans-Canada Pipe line, and lately it has been suggested in the Press, under an Ottawa date line, that the Province of Ontario and the Province of Alberta were going to share the cost in the amount of some

\$100 million, for this line in the northern part of the Province of Ontario.

If that is the case, and if the government has gone so far as to commit the province in that respect, then I suggest, Mr. Speaker, that it is proper and timely that the hon. Prime Minister should set out before the House this afternoon just what has transpired, and just what the picture seems to be in relation to getting gas from Alberta to the central part of Canada.

As I have said, Mr. Speaker, the last intimation we had was there was no commitment on the part of the Province of Ontario. Now it appears that in connection with a certain section of northern Ontario, with difficult terrain, where a line is expensive to build, and not attractive to the company which is to build it, that the provincial governments of Ontario and Alberta have agreed to take on the heavy load, as it were, and sign their names to bonds which would permit of the financing of this undertaking.

When the hon. Prime Minister is discussing it, he might suggest to the House, if he will if, for the moment, Alberta is not willing to participate in this deal, if it does not intend to go ahead with its part of the undertaking, is it the intention of the Ontario Government to take up Alberta's share, and carry one-half the cost of construction of the line in the north country?

These are two things to which I would like to have the hon. Prime Minister direct his attention for a few moments, if he will.

MR. DONALD MacDONALD (York South): Mr. Speaker, at the outset, I would like to take this opportunity of expressing my congratulations to you on your election to your high office.

The incidence of Conservative members in this Legislature has reached almost epidemic proportions. But the burden upon those of us who do not belong to that Party, will be lightened by the fact that you have been chosen

as the one to preside over the deliberations of the House. We in this group are looking forward to working with you in the Legislature.

Mr. Speaker, I would like to thank the hon. Prime Minister for the opportunity he has afforded us to raise some of the issues which have emerged since the last session of the Legislature. I think it would have been a serious mistake to have a meeting of this Legislature—even a special session, which I am told, traditionally deals only with specified matters—without an opportunity to discuss some current public issues. That is particularly true at this time when some of the issues which have arisen in the last few months are so important. Indeed I think they are some of the most important issues which have been faced by this province and its people in the last few years.

Such a time-honoured champion of legislatures as Sir Winston Churchill has often said that statements of policy, when a legislature is meeting or is about to meet, should always be made in the legislature, rather than outside. Sir Winston has even gone to the extent of criticizing a debate on the British Broadcasting Corporation regarding an issue which was about to come before the British Parliament, in the belief that Parliament is the place in which these issues should arise, and hon. members should participate to the fullest extent in the formulating of policy.

Personally, if I may be so bold in my maiden speech in this House, I would like to express the view that this Province of Ontario—as the hon. Prime Minister so often assures us—has grown to such an extent that today we have a budget equal to the Federal budget in the early thirties. I suggest we have outgrown the tradition of holding special sessions which meet for only a few hours when the business of the province has to be crammed into a normal session limited to only seven or eight weeks.

I do not propose to speak at length this afternoon, but there are three topics—two of which the hon. leader of the Opposition has already raised—upon which I would like to touch.

The first is the matter of the pipe line to bring natural gas from Western Canada to supplement the inadequate energy resources of the central part of this nation. The fact is beyond dispute that in the last two or three years the pipe line promoters of this nation have sold the country a false bill of goods. They have stated from the outset that it was possible to build a pipe line across Canada on a free-enterprise basis.

It is now evident that they are unwilling or unable to do that. Therefore they have gone back to the respective governments, and we are now faced in the legislatures of the various provinces, as well as the Federal Government, with working out alternative proposals to cope with this situation.

With the hon. leader of the Opposition, I would welcome a statement from the hon. Prime Minister as to exactly what the situation is, because our only information is what we have been able to glean from the public Press. It would appear that the free-enterprise promoters are unwilling or unable to cope with what, for this nation, has always been a major problem, namely, bridging the thousand-mile gap of northern Ontario. Certainly this is of vital importance for the Province of Ontario.

The suggestion now is that this gap can be filled only by a public corporation. Whether it is going to be a public corporation in which the Federal Government, with one, two or more of the provinces participating, we do not know. It is on that question we would like some clarification. But it appears obvious that we can now assume that the only solution for bridging northern Ontario is a public corporation.

If that is so, Mr. Speaker, I think it raises another point to which I trust this government will give some consideration, because I do not think it is too late to do so. I think the principle which is now emerging in the alternative solution is an absolutely indefensible principle. The proposition that, in developing the natural resources of this nation and this province, that portion of the development which may be profitable should be handed over to private enterprise, while

that portion of it which will not be profitable—either now or at some later date—will be taken over by public enterprise, I feel personally—and I am sure the public feels—is absolutely indefensible. The public purse takes the risk and private operators gather the profits. I am certain there are a great many people in all parties who will acknowledge that this is an indefensible principle. If it is, Mr. Speaker, I raise the question as to whether or not—since at least a fair-sized portion of the line within the geographical area of the Province of Ontario is likely to be handled by a public corporation — this government could be persuaded to review its decision taken a year ago, so that the distribution system within the province might be handled as a publicly-owned corporation something on the pattern of Hydro.

At the time this was being discussed in the House by the hon. Minister who is now Provincial Treasurer—because of the game of musical chairs in the summer of the cabinet ministers, I have difficulty keeping up-to-date with portfolios—two or three statements were made which I suggest we look at now.

The first one was that it would be unfair to bring natural gas into the Province of Ontario at a price sharply competitive with existing fuels. I think that is an amazing statement.

HON. DANA PORTER (Provincial Treasurer): Mr. Speaker, perhaps the hon. member would refer to the exact statement.

MR. MacDONALD: I will take pleasure in referring to it many times, Mr. Speaker, but I have not the exact quotation at the moment.

HON. MR. PORTER: Mr. Speaker, would the hon. member refer to it by date and paragraph?

MR. MacDONALD: With pleasure. I cannot do so at the moment, but I assure you, Mr. Speaker, I have given what I feel to be the exact interpretation of what he stated when the hon. Minister was introducing the Bill to establish the Fuel Board—that it would be

unfair to bring natural gas into this province at a cost which would be sharply competitive with existing fuels.

HON. MR. PORTER: Mr. Speaker, I could not have said that gas cannot be sold unless it has competition.

MR. MacDONALD: The hon. Minister should not be so certain that he did not make that statement. Let the matter rest for the moment. When we check the record, we shall find out whether or not it was said.

The point I want to raise now is that the basic economics of this proposition in regard to the pipe line are that if we do not get natural gas at the cheapest possible price, it will not become an economical fuel in this province. It has to be sharply competitive to get into the market.

HON. MR. PORTER: I have said that a dozen times.

MR. MacDONALD: Perhaps you have. But the policy which the government has adopted is inevitably going to increase the cost of natural gas, because there is just no argument against the fact that if you have a privately-owned corporation, its capital costs will be considerably higher; that the amortization period will be shorter, thus raising costs again. Finally, a public corporation would be exempt from paying taxes—an exemption which is desirable if we are to get natural gas at the cheapest possible price.

If this pipe line is to go through northern Ontario where this new source of energy is greatly needed, privately-owned local distribution companies cannot develop a local market when the cost will be such that no householder is going to change over in his home, when no industrialist is going to change over in his industry, and no new industry can be attracted because the price will not be lower than existing power costs. Government policy in favour of private enterprise has reduced the possibility of building gas as another source of fuel in this province.

There will be many other occasions during our regular session to discuss this issue, but I raise it now because it seems to me that when the present hon. Provincial Treasurer introduced this, one of the reasons that he gave for deciding to hand over the distribution system to private enterprise was that private operators were going to handle the trunk line, the trans-Canada pipe line and it would not be wise to mix public and private enterprise.

HON. MR. PORTER: Mr. Speaker, the hon. member had better be sure.

MR. MacDONALD: I am sure of it, Mr. Speaker. Now that we are going to have the pipe line built in part by a public corporation, involving Federal and provincial governments, I repeat I hope that the government might give reconsideration to the building of the distribution system in the province by a public corporation. In other words, a vast distributive network across this province comparable to Hydro, which has done a good job, in part, because it is a public corporation.

The second point I want to raise which was not touched upon by the hon. leader of the Opposition was the question of health insurance. We are going to have a Federal-Provincial conference this fall in which we are led to believe that the issue of health insurance is going to be on the agenda.

Once again we have no alternative but to engage in a great guessing match as to exactly what the situation is. This issue—which is one of the most important issues before the people of the Province of Ontario and this nation—has been subject for generations to procrastination and propaganda, instead of action.

I notice spokesmen for the government are saying that the Liberals first promised health insurance in 1919. I think it is time for us to remember that in 1943 this government was elected on the promise of providing "health coverage for all of us." They are just as guilty of procrastination.

It has been stated very definitely by the hon. Premier of the Province of Quebec that they are not going to enter into this kind of plan. When the hon. Prime Minister raised this question last spring and tried to get it on the agenda of the Federal-Provincial Conference, spokesmen for the Federal Government refused to put "Health Insurance" on the agenda. They only agreed to "Health and Welfare Matters." In other words, we are still engaged in procrastination. So far the Federal Government is concerned they will continue to procrastinate until one of the central provinces is willing to show its intentions and good faith by moving on this issue instead of just talking about it. Therefore I would urge the hon. Prime Minister that if he is interested in getting health insurance for the people of the Province of Ontario, he will get the ball rolling not by engaging in a "buck-passing" game with Ottawa, but by setting up a provincial hospital scheme as the first major step towards establishing overall health-insurance. Such hospital plans have been adopted in two other provinces, one, at least, of which has been highly successful. We do not need to do the pioneering. That has been done. It is simply a task of adapting a plan to Ontario's particular needs and conditions.

The third point I want to raise is the question of unemployment assistance, which will also come before the Federal-Provincial Conference in Ottawa a short time hence.

Once again we are left guessing as to the exact position of the Ontario Government, and, again with the hon. leader of the Opposition, I would hope that we can get some clarification of this so that public discussion of it could be more intelligent and more realistic.

From my information—which I think is accurate—the Government of the Province of Ontario has at least given serious consideration, if it has not in fact decided, to "sit out" this offer which has been made by the Federal Government on unemployment assistance.

I want to say, Mr. Speaker, in the strongest possible terms that I think if the Government of Ontario "sits out" this offer made by the Federal Government on unemployment assistance, it will be doing a profound disservice not only to the nation as a whole, but to the Province of Ontario. I want to say briefly why I think that is the case.

There is perhaps no more deplorable and shameful aspect of the public record of this nation than that over the last 20 years we have drifted on such an important issue as unemployment assistance. Who is responsible for meeting the basic needs of a person who happens to be out of work? Which level of government is responsible? How are the costs to be shared?

We had the grim experience of the 'thirties. Employment picked up during the War, so we forgot the problem and we have drifted since then. The government's stand, insofar as I have been able to get details, is that the proposal which has been offered by the Federal Government in Ottawa today is a pale shadow of the proposal that the Federal Government made in 1945, and therefore is in many respects an unsatisfactory one.

I agree with the government on this point,—that the proposal which is being made today is a pale shadow of what was offered in 1945. This is regrettable. I think this proposal, and what the Federal Government has done with regard to it in the last 10 years, is little short of a "betrayal" because the Federal offer on unemployment assistance in 1945 was really part of the whole financial arrangements involving the tax rental agreements.

However, I think it is time this government, instead of deploring the fact that this is just a poor substitute of what was offered in 1945, reminded itself that this nation did not secure an agreement regarding unemployment assistance 10 years ago was because this government, with others, walked out of the conference.

HON. MR. PORTER: No.

MR. MacDONALD: If they did not walk out, at least they refused to enter into the agreement.

MR. H. NIXON (Brant): And whose chickens have come home to roost, Mr. Speaker.

MR. MacDONALD: Yes, their chickens have come home to roost, and the Province of Ontario is today paying for the scuttling of the conference 10 years ago by its own delegation.

It seems to me today it would be a tragic development if this government should go to Ottawa, and repeat what it did in 1945, by not entering into an agreement.

Let me emphasize again, I do not for one moment say that this government should not go to Ottawa, and bargain as hard as possible. We know from long experience with the government at Ottawa, that they must be kicked, and cajoled and bludgeoned before they do anything. This Ontario Government is perhaps the only government that it is even harder to get anything out of. But on this occasion, I am with the Ontario Government when it gets down to its hard bargaining. However, we should not lose sight of the goal of getting some sort of agreement—the best possible agreement—so that the uncertainty of the last 20 years unemployment assistance will be ended. At any time in the future, we shall have the opportunity of reviewing any agreement signed now.

My final point in connection with why I think it would be a grave disservice not only to this nation, but to this province, if, after the hardest possible bargaining, we do not come to some agreement, is that there are no benefits for Ontario in the proposals now offered.

What are the proposals? Very briefly—that when unemployment goes above .45 of one per cent. of the population, the Federal Government will share in the cost of assistance to the extent of 50 per cent.

Now, what is .45 per cent. of our population? It represents about 25,000.

The latest figures we have in regard to unemployment, in July of this year—and I suggest this may be a rock-bottom figure for the foreseeable future,—shows that according to the Dominion Bureau of Statistics there were 36,000 people out of work, while according to the National Employment Service figures there were 72,800 who had made applications for jobs.

Now we come to the problem as to which figure is the accurate one. The truth may be found to lie somewhere in between. If that be so, we have between 50,000 and 60,000 people of this province who are unemployed; in other words, double the 25,000 which .45 per cent. represents,—well beyond the point where the Federal Government is willing to “come through” with assistance to the extent of 50 per cent.

HON. MR. FROST: May I point out that the Federal proposal is subject to the means test, which would be imposed by the municipalities. Because people are out of work, does not necessarily mean they are entitled to anything. Those figures are meaningless. In other words, it is the case load which would apply after the application of the means test.

MR. MacDONALD: The tragedy is we did not get an agreement in 1945 for it would have included standards of benefits, so we would know exactly where we stood. Now we have to make a new start with the proposals of 1955. That is why I am raising this question this afternoon. What we want now is something for the unemployed of Ontario. It is desperately urgent, necessary and desirable that we should have some sort of a plan, so the unfortunate drifting of the last 25 years in regard to this important issue will not continue.

If the Provincial Government is not willing to obligate itself to a share of unemployment assistance, let it enter an agreement so that it can collect the 50 per cent. from the Federal Government and hand it over to the municipalities. At least, their load would be cut in half.

These are the 3 points I wanted to raise, and I leave them with the hope that we may get some clarification from the government so henceforth we can discuss these issues more knowledgeably.

HON. MR. FROST: Mr. Speaker, in response to the queries which have been directed to me by the hon. members who have spoken, may I say that I am not without notice of these questions. Both hon. members were good enough to raise the points with me, and to point out they would like to raise these matters here this afternoon, and, therefore, I have had the opportunity of trying to condense into reasonable compass the answers to the queries which are very, very broad indeed. Full discussion on these 3 subjects would take a very great deal of time. I do wish to thank the hon. members for telling me in advance, and thus giving me the opportunity of reducing the reply to a form which would be reasonable in compass and not take too much of the time of the House on this occasion.

I have listened to the hon. members. They have addressed these questions which I think are perfectly proper. I quite agree that this is a meeting of the representatives of the people, and it was perfectly proper that these matters should come before the House for consideration.

I am not so sure that the time may not come when perhaps there will be a session in the fall and one in the spring, rather than simply the traditional spring session. I think perhaps that day is not far off. I have thought that perhaps in our regular sessions we compress too much work into a short period of time, and that it might be better to spread the work out. However, that is for consideration at a time other than this.

I may say that these questions which have been directed to me have been clothed, of course, in the impressions which the hon. members wanted to convey. I cannot find fault with the presentation of the questions by the hon. leader of the Opposition. I do not think his questions carried any inferences at all.

But that is hardly true in regard to the hon. member for York South, who inferred that I had been a "stifler of the conferences." I stand before this House today, and before the people of the province, as one who has not been a "stifler of conferences," but, in fact, has been one who has tried to spark success into all the conferences we have had.

I will say to the hon. member for York South that if he will go back into the story of Confederation, and the history of our country since 1867, he will find many blind ends and many blank walls which have been met by various governments, but our approach has always been to try and get all governments, regardless of political affiliations and connections, to work together, and make progress. I can come before this House today with a record of progress in that regard which is unparalleled in the history of our governments.

May I say further to the hon. member for York South that he can rest assured, if anybody can bring anything out of any of these conferences, this government can.

Mr. Speaker, I shall deal with the 3 questions which have been raised, and I will ask the indulgence of the House notes I have prepared, which was done for the purpose of making the explanations as concise and as short as possible. These are great subjects.

In the matter of Hospital Insurance which has been variously referred to as "Health Insurance" and "Hospital and Health Insurance," may I point out that the subject has been discussed now for very many years in Canada and it was very specifically raised in the Dominion-Provincial Conference of 1945. That there are difficulties must be very clearly recognized. We have 10 provinces and the Federal Government. Among the provinces there are widely differing views on this subject and there are widely differing conditions with which to deal. To evolve a plan by agreement upon which all provinces may proceed in whole or in part is not an easy task. Then again the financial implications are very huge. It is, of course, true that a hospital insurance plan would transfer

to the various treasuries costs which are presently being borne by individuals, but nonetheless it would not relieve individuals of paying for the service. Payment of premiums and other charges would have to be resorted to, including, no doubt, payroll and other deductions.

It is idle to think these things can be done without payments.

Governments would be left with the problem of raising other sums from general taxation and while it is, of course, a fact that individuals would be relieved of charges that they are already making to hospitals, the transference of this obligation to governments would be a very huge financial operation indeed. This would involve in our province at least \$200 million, and probably much more. This must be recognized by our people. These very difficulties no doubt have postponed the consideration of this question which I felt, as head of the Government of Ontario, should be placed upon the agenda for the Federal-Provincial Conference which was convened on April 27 last.

May I read to the House exactly what I said to the conference in relation to Health Insurance and Federal Health grants:

This very important subject deserves the consideration of this conference. It is a matter which has been widely discussed and this conference can do a great deal to clarify the issues involved.

May I point out to the hon. member for York South that to have these complicated questions resolved, they have to be placed before bodies for consideration. I think the time for making nebulous promises and statements has passed, and the time has come to place these things clearly before the people so they can all be understood.

It is generally recognized that any health insurance plan of a broad nature should have both Federal and provincial participation. We suggest that the whole question be intensively studied, with a view to arriving at the following:

(a) A health insurance plan in which there would be both Federal and provincial participation and in which the fullest details of the extent of the coverage to the individual would be given.

(b) Estimates as accurate as possible of the cost of such a plan and how that cost would be shared—

- (i) By the individual or family;
- (ii) By the provincial government;
- (iii) By the Federal Government.

(c) How the moneys to support such a plan would be raised.

I am fully cognizant of the fact that it would have to be considered in the light of the problems and fiscal position of Canada and her provinces.

(d) In what manner and under what conditions a health plan could be proceeded with in stages in accordance with the medical and hospital organization and the financial position of each province.

I think we have learned in these conferences—

and I am quoting from the report—

—that the provinces cannot all be put into one mould. Canada is just not made that way.

(e) In the stages suggested in (d), what priority could be given to meeting the crippling financial burdens imposed on the individual and family by prolonged illness and affliction.

(f) In what way the plans established by individual provinces could be integrated into a Federal-provincial health insurance plan.

Those, Sir, are the 6 points we would like to submit, in no dogmatic fashion, to this conference.

And I went on to say:

The study of health insurance would help to clarify the thinking of all in a field in which there unquestionably is a great deal of misunderstanding and confusion. A plan could be evolved in this way that would enable the whole structure to be built efficiently and within the

financial capacities of the various levels of government in stages to pay for it. Health insurance has many important financial implications, not only for the provinces and the Federal Government but for the individual; and since it is one of the great objectives in the field of human betterment, it should be placed on the agenda for study, with a view to producing a sound, workable plan with which we could proceed.

I think the hon. leader of the Opposition and the hon. member for York South will both agree with that statement.

I also pointed out that there should be:

Revision of the present Federal health grants to allow more flexibility in their use.

The Federal health grants established in 1948 have undoubtedly served a very valuable purpose. Unfortunately, however, as they are earmarked for certain specific purposes, none of the provinces has been able to make as full use of them as it would like. As conditions vary from province to province, it inevitably follows that a specific conditional grant that would be suitable in one province would not be suitable in another. The restrictions on the use of grants have diminished their value, not only to Ontario but indeed to all provinces. We should, therefore, like to see the basis of these grants re-examined and a more flexible system devised that will carry out the objectives of the Federal Government and at the same time be better suited to meeting the particular needs of the people of each province.

That is the proposal placed before the conference.

May I comment on this by saying that we have been working very intensively on this subject for many months past, indeed going back to the summer of 1954. We propose to submit to the conference which will be re-assembling next month, a plan for full hospital coverage and also various steps and

stages which might be used in its implementation. It is our intention to submit these matters to the conference so that they may be intensively studied, with the hope that from them and from the views and ideas expressed by other provinces and governments that we may be able to evolve a plan which will be acceptable, and which will be flexible enough to meet the requirements of our broad country where we have many and varying conditions and also a plan which is sound from a financial standpoint, and will be within the capacity of our people to support because again I say that these matters have to be translated into our tax structure, and we cannot and must not do things which will add to our tax burden to the extent that we cannot do the things necessary for the development of the country and the increase of the productivity of our people, and which would militate against the sale of our goods in the markets of the world. It must always be remembered that it is our ability to produce and sell that gives us ability to maintain and expand our stand of living.

That is the comment I want to make in connection with health insurance or health and hospital insurance. I will keep the House and the people informed of the progress we make on that subject, when we meet on October 3.

In connection with Unemployment Relief and Assistance:

The Federal and provincial positions have been widely reported and commented upon in the Press.

I am bound to say I cannot regard the Federal proposals with anything but misgiving. They are a reversal of the lessons which we learned in the 'thirties. The proposals fall a very long way short of meeting the requirements or what might reasonably be expected from the proposals made by the Government of Canada in 1945-46 to assume 100 per cent. responsibility for the unemployed employables, while the provinces and their municipalities would look after unemployables.

The formula submitted by the Federal Government will saddle the provinces

and the municipalities with the responsibility for, and the cost involved in, providing assistance and relief—I put it in the form of “relief” because that is what it is—for unemployable persons, and at the same time force upon them a major share of the cost of supplying direct relief to indigent, able-bodied employable persons as well as the problem of administration. In short, under the Federal formula there is a retreat from the position which came about because of the lessons of the 1930's in which this and other provinces had a problem which they had every reason to believe was not theirs.

The Federal Government in 1941 obtained an amendment to the British North America Act enabling it to establish a system of unemployment insurance. This amendment was soundly conceived. It was based on experiences of the 1930's which nearly brought ruin to the provinces and their municipalities. In fact, some of the provinces and municipalities still have obligations outstanding as a result of relief payments made to able-bodied persons 20 years ago. We cannot contemplate with anything but dismay the prospect of reverting to a system which in these enlightened days we thought we had left in the past—a system which was unsatisfactory and objectionable not only to the provinces and the municipalities, but to those who, because of their lack of means, were obliged to accept its benefits.

The history of the 1945 proposals by the Federal Government is as follows:

We in Ontario accepted the constitutional amendment of 1941 in good faith. As a matter of fact, the hon. members opposite were in power at that time, and the present hon. leader of the Opposition was the Minister of Welfare. One of his first acts was to pass the necessary regulations and amendments providing for the abolition of the payments of relief to employable persons. I think the hon. leader of the Opposition—the then Minister of Welfare—felt that it was an obligation which was no longer ours. In any event, we accepted it as

such, and I think we had good reasons for so doing.

A Royal Commission on Dominion-Provincial relations known as the Sirois Commission in its report in 1940 declared:

The Dominion is the only government which can meet, in an equitable and efficient manner, the large fluctuating expenditure due to unemployment. . . . The experience of the past decade is conclusive evidence that unemployment relief should be a Dominion function.

By unemployment relief, it meant relief or aid for unemployed employables as distinct from unemployables. The same report felt that the provinces and municipalities should take care of the unemployable, and that is what we have been doing in Ontario.

In 1943, a report on Social Security for Canada prepared by Dr. L. C. Marsh at the instance of the Federal Government and presented to the House of Commons by the late Honourable Ian Mackenzie, declared that the logical location for the administration of relief or aid to employable persons was the Federal Employment Services or some branch of it. He pointed out that there were a number of compelling reasons which made unemployment assistance additional to unemployment insurance necessary and that one of the strong reasons for considering this unemployment assistance anew was—to quote from the report:

the inadequate and repellent character of the relief measures of the past.

At the Dominion-Provincial Conference in 1945 the Federal Government proposed as a sound and logical plan that it establish a system of unemployment assistance for able-bodied unemployed persons who have no benefit rights under the Unemployment Insurance Act and that the provinces assume responsibility for persons who cease to be employable. To Ontario this seemed and still seems the sound and reasonable division of responsibility and, therefore, we deplore the present Federal proposal

as a retrograde step which constitutes a throwback to the objectionable system of the 1930's.

May I point out that Ontario and its municipalities are confronted, and will be confronted, with the coming years, with an increase in expenditures for essential services that will surpass anything that has gone before. We shall be faced with the necessity of at least doubling our educational facilities and staffs. The municipalities must undertake costly works to increase water supply, sewer and sanitation facilities. The Federal Government is even now asking us to engage in plans for the abatement of pollution as a result of Ontario's industrialization, which also happens to be one of the Federal Government's principal sources of revenue. The rapidly rising demand for electrical power, new hospitals, extended highways, municipal roads, new schools and public buildings, which are to some extent due to the failure to meet these requirements in the 1930's, is going to be expanded.

Mr. Speaker, that is the problem which faces us.

Our municipal assistance has grown, because of necessity, over a period of a dozen years from \$18 million to \$165 million. These are all things which add to Federal revenue, our national product and to the wealth of our people.

I was interested in a speech by Rt. Hon. Mr. St. Laurent, which he delivered at Edmonton, where he said that gross national products of Canada would exceed the estimated \$25 billion. The "gross national product" is the sum total of what is being accomplished in the provinces in the way of industry. We have here in Ontario contributed through the mighty works on the St. Lawrence River, the great construction and public building, highways construction and other industry. The activities and undertakings of the provinces contribute to that sum of money.

If we render it impossible for the provinces and their municipalities to do this job, we are curtailing expansion and production.

The Federal proposals in brief are that the provinces and the municipalities

should continue to support the unemployables, and to the extent that unemployables and unemployed employables exceed .45 per cent. of our population the Federal Government will then share in 50 per cent. of the cost.

At the present time, we have very heavy employment in the province and the ratio of unemployed to total labour forces is less than $1\frac{3}{4}$ per cent.

The hon. members opposite overlooked that point.

On a means test, which would be required under the Federal proposals our total unemployment would be definitely under .45 per cent. There, therefore, is no Federal contribution involved at the present time. The new proposals in fairness to the municipalities could not possibly come into effect before January 1 when the new budgets would become effective in the municipalities.

I want to say this as a word of warning; it is a very great mistake to think that such a plan will work equitably in Ontario. It cannot possibly do so. With only .45 per cent. unemployment in the province, we could have one portion of the province enjoying very high employment and other places in the province, having very considerable unemployment problems with no Federal contribution at all.

We had that situation last winter.

The system, therefore, could operate as a grave injustice both to municipalities and the provinces. The burden of relief load will vary greatly as between municipalities as will the varying practices of the different municipalities in dealing with this problem.

We have that wide variation, as the hon. members know, with the problem of dealing with the unemployables. While we set the standards, it does not necessarily follow that the municipalities will adhere to those standards, and that same condition will be met in dealing with the unemployed employables, which I think is bound to create nothing but dissatisfaction, difficulties and objectionable situations, such as existed in the 1930's.

I cannot think that this reversion to what the Marsh report of 1943 referred to as "the inadequate and repellent character of the relief measures of the past," can produce any satisfaction. The views that I now express I have stated on other occasions.

And I am not any more emphatic today than I was at the conference last June, in asserting that this situation would not work.

I do want to give credit to Rt. Hon. Mr. St. Laurent for his efforts to recognize some of the points which we have raised. I think their original percentage level was entirely unrealistic; compared to that, I think the .45 per cent. level is more realistic. Some of the other things which were introduced into the matter—for instance, the acceptance of the 50 per cent. formula which was not in the original formula—are indeed more realistic, but, with all that, I asserted to the representatives at that time that this plan could not give satisfaction.

While disagreeing with the principle, may I say that if we are called upon to assume 50 per cent. of what all authorities considered was the Federal problem, namely looking after the unemployed employables, it would be equitable for the Federal Government to come into our sphere and assume 50 per cent. of our cost of the unemployables, which runs around \$6 million a year for the province and municipalities. From the standpoint of administration that would solve many of the difficulties with which we are going to be faced with the other formula. It hardly seems fair that we should bear all of the burden of the unemployables and then take more than 50 per cent. of the Federal end of things, not including cost of administration and medical and other costs. We advanced this at the conference without success and in lieu of the Federal Government assuming 50 per cent. of our costs, i.e. for the unemployables, that they should give to the provinces an unconditional subsidy of say 50 cents per head of population, which in Ontario's case would amount to about \$2½ million. Such a move, while not producing the

ultimate in desirability, would at least have been very much fairer than the present proposal. We deplore the present proposals in the face of all the lessons Canada learned in the depression days.

In the meantime may I point out that in the last session of the Legislature the amount of \$3¾ million was voted to the municipalities to provide for relief work or payments to unemployed persons in the discretion of the municipalities. In any event nothing is payable until January 1, since the Federal proposals could not come into effect until January 1 next. In the meantime thorough study is being given to the whole situation, so that it can be considered in connection with the fiscal position of the provinces of Canada which will be dealt with at the conference to be resumed next month. The unemployment matter is a segment of that great problem which will be commenced to be intensely studied and examined on October 3 next. It seemed to us that this is a very unsatisfactory solution which is not going to provide satisfaction to persons who are unfortunate enough to be unemployed and which is going to throw undoubted burdens and difficulties on the provinces and on the municipalities. This will have to be considered in the light of the whole situation which will be examined at that time.

In regard to the Trans-Canada Pipe Line:

We unhesitatingly believe that an all-Canadian gas pipe line is a national requirement. It is not necessary here to elaborate upon the great addition this would bring to Canada's economic strength. In our own province it would greatly add to the possibilities of northern Ontario, and as well the whole province. One of the hon. members mentioned the great source of wealth to be found in northern Ontario if there are the means of development, and the addition of a gas pipe line, added to the power and other resources, would have a tremendous effect on Canada. It would be a great step in a national field policy which is greatly needed in

our country. We, therefore, concurred entirely with the Federal Government proposal that the proposed pipe line should be placed entirely within Canada and follow a course through northern Ontario. The present course which is being discussed would follow the line of Highway No. 17 through Hearst to the Lakehead country and through the settled portion of that part of the province.

We hasten to express our desire to co-operate in every possible way. The hon. Mr. Porter, with the assistance of the hon. Minister of Mines has been in charge of such negotiations as have been held, and under his direction The Ontario Fuel Board has been created under the chairmanship of Mr. Crozier.

This is a matter of very great complication involving at least 5 of the Canadian provinces and the Federal Government and very numerous private interests engaged either in the production of gas in the west or the distribution of gas in the central provinces and elsewhere. Early in 1955 we were informed that the Trans-Canada company could not raise the necessary funds to carry out the project. The negotiations have been carried on by the Federal Government. There have been no conferences involving representatives of all of the interests concerned, but we have had discussions with the Federal Government relative to certain aspects of the problem.

Presently we have before us a very general proposition. The hon. Provincial Treasurer would agree it is hardly a proposal. In fact it is not a proposal which we have before us at the present time, but an idea that perhaps some of the governments could participate in a company which might be termed a "bridge company" which would engage in the construction of a portion of the line in that part of Canada where it is difficult to build and maintain the line.

That does not mean if we were engaged in such a proposition that the government would take in the bad end and the other people would take in the good end, but it might be a method which could be adopted to take care of

some of the capital financing in the meantime.

May I assure the hon. leader of the Opposition that we have signed nothing at all. There has not been anything to sign and there is nothing that I know of at the present time which we could sign. I can assure the hon. members of this House that neither I nor my colleagues will accept all the obligations and all the deficits and let someone else have all the cream and all the profits. That will not be the case. We have stated that if it could be shown that some project financed by the two governments—and again I say we have nothing definite—would solve the financial problems of the line and enable the Federal Government to carry out its national policy with respect to the same we would be willing to consider participation.

Perhaps I can say with the concurrence of the hon. Provincial Treasurer, who is much more “hard-boiled” than I was when I was Treasurer, that we will not draw away the people’s money at all. We would be willing to consider participation and that is as far as we have gone. We expect to meet with the Federal authorities in Ottawa next week for a further discussion of the problem, and as yet we have no definite proposals to consider. We have not been parties to any negotiations that have taken place other than, as I have said, discussions with the Federal authorities. The hon. Treasurer, and his advisors in their studies of the problem have visited many points in Canada, we have taken the best advice that we could get in this matter and have had conversations with various governments and interests for the purposes of getting information, but these have not been in any sense negotiations but studies of the problem to give us the information upon which to base possible decisions in the future for our people. We believe in the desirability and necessity of a Canadian pipe line and express our willingness to participate in any practical, sensible way.

As I have stated, it is quite apparent that the negotiations under way are complicated and delicate. Beyond stat-

ing, as I have done, the announced policies of the two governments—Federal and Ontario—and our willingness to participate in any practical, sensible way and to consider proposals to this end from the Federal Government I do not think I should say anything more.

With that thought and that expression of policy we are prepared to sit in consultation with the Governments of Canada, Alberta, Saskatchewan, Manitoba and Quebec—because I think they come into this picture in a big way through the distribution of gas in Montreal. We are prepared to work out a deal which will bring this desired result to our country. I think that should be done without the necessity of subsidization, because it would appear to me that this project should pay for itself in the course of time.

If these answers which I have given on the subjects are the matters about which the hon. members asked me, the statements which I have given contain everything that I am prepared to say on this subject at the present time.

Motion agreed to.

Hon. Mr. Frost moves that a Select Committee of the House be appointed to examine existing legislation and practice in relation to the registration of conditional sales contracts and similar documents of title and pledge, particularly in connection with motor vehicles, and to consider ways of providing for a central registry for the said documents and for the issuance of certificates of title of ownership of motor vehicles.

And that the Select Committee have authority to sit during the interval between sessions and have full power and authority to call for persons, papers and things and to examine witnesses under oath, and the Assembly doth command and compel attendance before the said Select Committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which purpose the Honourable the Speaker may issue his warrant or warrants.

Said committee to consist of 9 members and to be composed as follows:

Mr. Macaulay (chairman), Messrs. Warrender, Myers, Cathcart, Robarts, Letherby, Jolley, Gisborn and Wintermeyer.

HON. MR. FROST: The membership is identical with the addition of changes which resulted from the last provincial election.

Motion agreed to.

HON. MR. FROST: May I just explain to the hon. members of the House that committee was appointed about two years ago under the chairmanship of the hon. member for Riverdale (Mr. Macaulay). The committee brought in its report, and arising out of the report a draft bill was presented and given its first reading in the House so that it would become a matter of record.

There may be many hon. members of the House, including myself, who had grave doubts as to certain features of the Bill and the report, not as to its desirability, but as to the practical application here in the Province of Ontario. I would suggest to the hon. members of the House that they should procure the Bill and study it thoroughly.

I believe it was introduced by the hon. member for Riverdale, not with the intention that it should be passed, but that it would give a wide opportunity for the consideration of its provisions. The betterment of the registration of liens on motor vehicles particularly, and also on some other chattels, is highly desirable. It must be remembered that we presently have about one and one-half million motor vehicles on our roads and to establish the matter of title would mean that we are throwing on the present owners the obligation of arranging their titles. I am afraid many of them would be like myself, leaving it to the last moment and then find yourself in "hot water." I think we should very carefully consider the steps which would have to be taken, because in my opinion it is altogether desirable that we should have a much better registration system.

Hon. Mr. Frost moves, that a Select Committee of the House be appointed to examine existing legislation and practice in relation to smoke control and air pollution in Ontario with particular reference to the installation and maintenance of equipment to control smoke and air pollution and methods and ways of extending public information in connection therewith.

And that the Select Committee have authority to sit during the interval between sessions and have full power and authority to call for persons, papers and things and to examine witnesses under oath, and the Assembly doth command and compel attendance before the said Select Committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which purpose the Honourable the Speaker may issue his warrant or warrants.

The said committee to consist of 9 members as follows:

Mr. Cowling (chairman), Messrs. Brandon, Elliott, Kelly, Macaulay, Morningstar, Murdoch, Gordon and Thomas (Oshawa).

In relation to that motion, it is simply a re-enactment of a similar motion passed during the session last spring. It is in identical terms, and the membership is virtually the same.

May I point out that when that motion was introduced, I think the hon. leader of the Opposition asked what would happen if the House were dissolved. At that time, I gave an undertaking that if there was a dissolution, and the government was returned, at the earliest practical time I would ask the House to re-establish these committees.

At that time, I did not know there was going to be a provincial election. Of course, they happen. The House can be dissolved at any time. In theory—as with these motions here—there might be, under certain conditions, a dissolution, and, of course, that applied last spring.

As it happened, there was an election held, and the conditions applied to which

I have referred, and I am taking this opportunity of carrying out what I said would be done, that is, that these committees would be re-established.

This matter of air pollution and smoke nuisance is one which is important in our industrial province, and its importance is perhaps growing, and it is well for this committee to have the opportunity of reviewing the whole problem.

Motion agreed to.

Hon. Mr. Frost moves that a Select Committee of the House be appointed to study all matters relating to toll roads and to report on the application of the same to certain areas having regard to the needs of the Province of Ontario.

And that the Select Committee have authority to sit during the interval between sessions and have full power and authority to call for persons, papers and things and to examine witnesses under oath, and the Assembly doth command and compel attendance before the said Select Committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which purpose the Honourable the Speaker may issue his warrant or warrants.

Said committee to consist of 11 members as follows: Mr. Robarts (Chairman), Messrs. Auld, Root, Child, MacDonald, Jolley, Mackenzie, Manley, Reaume, Sandercock and Yaremko.

It is practically the same committee, with certain substitutions.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, that concludes the business referred to in the directive to the hon. members of

the Legislature, and in the Address by His Honour, the Lieutenant-Governor.

That is all the business we propose to lay before the Assembly, and with your permission, Mr. Speaker, I would ask leave to attend upon His Honour, and escort him into the Chamber, for the purpose of proroguing the session.

The Honourable the Lieutenant-Governor entered the Chamber, and took his seat upon the Throne, and was pleased to deliver the following gracious speech:

HON. L. O. BREITHAUP (Lieutenant-Governor): Mr. Speaker, and members of the Legislative Assembly: it is now my duty to prorogue the First Session of the Twenty-fifth Parliament of Ontario.

In this Special Session you have adopted certain motions reconstituting committees which ceased to exist upon the dissolution of the Twenty-fourth Parliament. The work of these committees will enable an early deliberation by the Legislature of the important matters which they will have under consideration.

May I thank you for your attention to this important public business.

HON. GEORGE H. DUNBAR (Provincial Secretary): Mr. Speaker and members of the Legislative Assembly: it is the will and pleasure of The Honourable the Lieutenant-Governor that this Legislative Assembly be prorogued, and this Legislative Assembly is accordingly prorogued.

His Honour, the Lieutenant-Governor, retired.

The House prorogued at 5.23 o'clock, p.m.



